



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF PLANNING AND BUDGET


M. J. AMIKE@FOSTER, JR.  
GOVERNOR

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

MEMORANDUM

**DATE:** September 17, 2003

**TO:** Department Heads, Undersecretaries and Fiscal Officers

**FROM:** Ray L. Stockstill  
Director 

**RE:** PREPARATION OF FISCAL YEAR 2004-2005 BUDGET DOCUMENTS

For Fiscal Year 2004-2005, all budget forms, addenda forms, and instructions are available in Microsoft Excel and Word. Electronic versions of these forms are available on the [Office of Planning and Budget \(OPB\) website](http://www.state.la.us/opb/index.htm) [http://www.state.la.us/opb/index.htm]. To download budget forms, addenda forms, and instructions, first access the OPB website; then click on Forms, Format, Guidelines, and Memorandum Archive. This page contains a link entitled FY 04-05 Budget Forms. Right click on this link and select **Save Target As ...** and choose a place on your hard-drive to save the file named *opb\_forms.zip*. This zip file contains all budget forms and their instructions. Once you have downloaded the file *opb\_forms.zip* to your computer, use Windows Explorer or File Manager to locate this file in the folder where you saved it. After you locate this file, unzip the budget forms to your computer. The Office of Planning and Budget developed these forms using Microsoft Excel 2000 so you will need to use software that is capable of using this format. The budget form instructions are in Microsoft Word 2000, so you must use software that can read this format in order to read these instructions.

If you are unable to use these software applications, you may contact the Office of Planning and Budget to have a complete set of forms and instructions mailed. Whether you access the forms electronically or receive them through mail, **it is important that you take the time to carefully read through the entire packet**. Significant revisions have been made to budget request forms and some modifications were made to the addenda forms for FY 2004-2005.

### **Total Budget Request**

Title 39 mandates that budget development be on the basis of **appropriation levels** rather than **continuation levels**. However, Continuation Level is an important interim step in the budget development process. Agencies will prepare their budget requests with the current year's operating budget (existing operating budget) as the budget request base to which adjustments are made to arrive at the total budget request. The "total budget request," must be submitted on or before **November 3, 2003**. It consists of six (6) separate components: the operational plan, the existing operating budget, the continuation budget, the technical/other adjustment package, new

or expanded service requests, and total request. The total budget request should be accompanied by the addenda identified on page 6.

**The existing operating budget (EOB) is your current year appropriation level adjusted for all APs, RBs, EBs and BA-7s approved as of October 17, 2003. An EOB performance standard is the initial performance standard (from Act 13 or Act 43), adjusted for all August 15<sup>th</sup> performance standard adjustments and BA-7s approved as of October 17, 2003.**

The development of continuation budget (CB forms) allows the identification of the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year, including any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes. Performance indicators must be used to justify workload adjustments in continuation budget forms.

New or expanded service requests (NE forms) provide information relative to the cost of new and/or expanded services, defined as (1) increases caused by a change in laws, regulations, or procedures which are/were controllable by the agency, and (2) additional services not previously provided nor defined under the workload criteria. Performance sections must be filled out to explain how objectives and performance indicators will be affected by the NE request.

Technical/Other Adjustments (T/OAP forms) reflect adjustments from the Continuation Level which allow for technical changes and transfers of a program or function from one agency or department to another agency or department. Any changes reflected by these forms (T/OAP) must have a zero statewide impact. Technical/Other Adjustments forms also contain a section, which must be filled out, to explain how the items of this form will affect performance.

The total request summary (TR-SUMM forms) provides a ready reference and a cross-check of the "total budget request".

The operational plan (OP) is the principal narrative portion of the budget request. It is the annual work plan of an agency and its component programs. As such, it must include a description of agency and program missions, goals, activities, objectives, and performance indicators. It is important that you carefully read and follow the "Operational Plan Guidelines and Instructions."

When preparing your "total budget request," use the following guidelines:

1. Full justification of requests and data, including performance indicators, is imperative. Use continuation sheets where needed.
2. Personal Services - Explanations and calculations of lines 13 through 36 in columns 7 through 9 on the TR-Salaries form must be shown as a part of your explanations of the CB, T/OAP and NE forms.

The new ISIS-Human Resources (HR) payroll system enables the generation of more accurate, detailed reports, including the ZP116 base level report. The ZP116 report will be used to calculate the salary and related benefits required by each of your agencies. The ZP116 form should be downloaded (converted) to an Excel format. Use this Excel spreadsheet as the basis for your salary and related benefits base level calculations.

All budget requests that are different from the base level new ZP116 report from the HR system MUST be fully documented/justified. All budget requests MUST start with the base level report as of October 17, 2003 and detail all exceptions.

Should you be unable to fully document/justify requested changes, the base level ZP116 will be utilized for your agency's salary and related benefits budget.

**YOU MUST IDENTIFY YOUR VACANCIES ON THE ZP116 REPORT.**

We suggest you run this report early to identify any problem in order that corrections can be made in the HR system's database. OPB intends to utilize but not be limited to the following reports:

ZP116 - for filled positions

ZP 16 - for a Summary report of position data by personnel sub-area

### 3. Related Benefits

- A. Retirement - Form BR-12 asks you to "Post the actuarial rates for the Existing Operating Budget for each applicable retirement system". Please be apprised that the percentages for each system are:

	<u>UAL + NORMAL = TOTAL</u>		
(1) State Employees Retirement System	9.05	6.75%	15.8%
(2) Teachers State Retirement System	7.09%	6.71%	13.8%
(3) State Police Employees Retirement System	-	-	63.8%

The retirement system rates are preliminary and may be revised later if necessary!

- B. FICA - use the following percentages for computation:

- |                            |  |
|----------------------------|--|
| (1) FICA (Social Security) | 6.2%, up to a maximum salary of \$91,500 |
| (2) Medicare FICA          | 1.45%, no maximum salary                 |

- C. Group Insurance - This must be calculated at the current rate.

For FY 2003-2004, each budget unit contained in Act 14 or Act 44 was required to provide funding at **75%** of total premiums for all active and retired employees covered by Group

Benefits. Due to an anticipated rate increase projected by the Group Benefits actuary, apply the following growth rate to your existing operating budget (EOB):  
Active and Retirees 12%

The 12% growth rate is preliminary and will be revised later if necessary!

All calculations for funding of these increases must be requested separately on a CB-6 compulsory adjustment form for each program. Each CB-6 must show the existing operating budget and calculations for both active employees and retirees to fully document/justify the request.

4. Operating Expenses

A. Insurance premiums through the Office of Risk Management should be included in the Existing Operating Budget at the 2003-2004 appropriated level. Do not request any increases at continuation. (The current year risk management premiums were included as an attachment to your Notification of Appropriation Letter which appears on the OPB website.)

B. Standard inflation factor

- (1) 1.57% general inflation
- (2) 3.34% medical inflation

5. Professional Services - Use the same inflation factors as listed in item #4B.

- (1) 1.57% general inflation
- (2) 3.34% medical inflation

6. Acquisitions/Major Repairs - These must be fully justified and requested on the appropriate form. New and replacement equipment must be identified.

The definition of acquisitions has been revised in the "CLARIFICATION OF ACQUISITION OBJECTS" memorandum from Howard Karlton referenced as MEMORANDUM OSRAP 02-05 dated August 14, 2001.

7. All agencies with I.A.T. revenues or expenses should coordinate to ensure that both agencies agree on the amount of the I.A.T. Justify each increased/decreased I.A.T. revenue. I.A.T. agreements must be submitted with the full budget request, which is due on **November 3, 2003**. Due to changes in the definition of "Interagency transfers", please refer to Memorandum OSRAP 03-03 dated July 22, 2002, from Howard Karlton. Failure to coordinate will jeopardize the inclusion of IAT authority in the Executive Budget!

There are certain mandated statewide I.A.T.s for which agreements cannot be executed by November, e.g., Civil Service, Division of Administrative Law, CPTP, State Treasurer,

Legislative Auditor expense charges and others. Expenditures for these services should be requested at the current year invoiced amount. I.A.T. agreements are to be executed and copies forwarded to the OPB when the amounts are actually determined for these items.

Payments made to the Louisiana Office Facilities Corporation (LOFC), and/or State Buildings and Grounds for operations and maintenance and/or rental charges should be requested at the current year appropriated level. These payments should be budgeted in accordance with the following expenditure category:

	<u>LOFC</u>	<u>BLDGS&amp;GROUNDS</u>
General Appropriation Bill	Interagency transfers	Interagency transfers
Ancillary Appropriation Bill	Interagency transfers	Interagency transfers

8. No agencies are scheduled to move into the Capitol Complex for fiscal year 2004-2005.
9. New or Expanded Service Requests - No restriction will be placed on an agency request; however, consideration should be given to the state's limited resources. The forms must be identified by program. Each request must be prioritized at the departmental and budget unit level.
10. Unless the OPB has given written authority for program modification, the agency's programs must be as reflected in the Existing Operating Budget as of October 17, 2003.

**NOTE: SEVERAL FORMS HAVE BEEN REVISED FOR THE FY 2004-2005 BUDGET REQUEST. PLEASE ENSURE THE PROPER FORMS (LATEST EDITION) ARE BEING USED IN YOUR BUDGET REQUEST. FORMS THAT HAVE BEEN REVISED WILL BE HIGHLIGHTED.**

## **Addenda**

There are five (5) addenda to the Total Budget Request packet: Activities, Sunset Review, Information Technology, Children's Budget, and Louisiana Workforce Commission. All addenda forms and instructions are available on the OPB website. Submit these addenda to the Office of Planning and Budget as separate packages accompanying the "total budget request."

- The Activities addendum breaks programs into discretionary and non-discretionary activities.
- The Sunset Review addendum identifies legislatively authorized activities for which implementation funding has not been provided.
- The Information Technology addendum requests costs associated with the operation of information technology activities. The IT forms have been revised for FY 2004-2005. The IT-0

(Department Cost Summary) has been modified, while the IT-1 through IT-9 forms have been eliminated. The IT-10 (ITRequest), IT-10A (Project Definition), and IT-10B (Estimate of Benefits and Costs) forms are the same forms implemented by the Office of Information Technology as part of its IT Oversight Guideline in April, 2002. The IT-10 forms were modified and expanded from last year's IT Budget Request to provide additional cost justification for budget requests containing proposed Information Technology projects and/or initiatives exceeding \$100,000 in the total amount for the budget request fiscal year. If the IT-Request is greater than or equal to \$250,000 in the total amount for the budget request fiscal year, then the department must submit an IT-10A Project Definition and IT-10B Estimate of Benefits and Cost form in addition to the IT-10 form. Questions regarding the IT-10 Forms should be directed to Tom Burkes via e-mail at [itbudget@doa.state.la.us](mailto:itbudget@doa.state.la.us). In addition to the hard copy of IT forms that must accompany your "total budget request," a copy of the IT-0, IT-10, IT-10A, and IT-10B forms should be submitted in electronic format (Word and/or Excel) via e-mail to [itbudget@doa.state.la.us](mailto:itbudget@doa.state.la.us). An electronic copy of the IT forms is available on the OIT website at <http://www.state.la.us/oit/forms>.

- The Children's Budget, as mandated by R.S. 46:2603 and 2604, is a subset of information provided elsewhere in the budget request and is designed to provide information relative to the cost of children's services. Children's Budget forms include Child Forms 0, DS, DC, AS, AC, Child-1 and Child-2. All agencies should carefully analyze their programs and review the Children's Budget Instructions before making a determination about whether or not they are subject to the provisions of the statute. The completed Children's Budget addendum must be submitted to the Office of Planning and Budget with the budget request; a copy must be submitted also to Ms. Susan Sonnier, Children's Cabinet, Office of the Governor.
- Budget units subject to the provisions of Act 1 of 1997, which created the Louisiana Workforce Commission (WFC), must comply with additional budget request requirements (except as limited, restricted, or otherwise prohibited by the Constitution of Louisiana). These budget units have been identified by the commission and are listed below. Questions regarding the WFC addendum should be directed to Chris Weaver, Executive Director, at (225) 342-2462, or Joe Milliner at (225) 342-1204. The completed WFC addendum must be submitted by **November 3, 2003**, to the Louisiana Workforce Commission. In addition, the completed addendum should accompany all copies of the total budget request submitted to the Office of Planning and Budget.

#### **Agencies Required To Submit A Workforce Development Budget Request**

##### Executive Department

Office of Workforce Commission

Office of Elderly Affairs

Department of Military Affairs

##### Department of Education

State Activities:

Office of School/Community Support - Adult Education & Training/Workforce Development

Office of Student and School Performance - Workforce Development

Subgrantee Assistance:

School Accountability and Improvement - Secondary Vocational Education/IAT Activity  
Adult Education

Department of Labor

Office of Workforce Development:

Occupational Information System Program  
Job Placement Program  
Job Training Program (include request for each of the following):  
    Job Training and Partnership Act  
    Welfare to Work Program  
    Workforce Development and Training Account  
Community Based Services (Community Services Block Grant)

Department of Economic Development

Workforce Development and Training Fund

Department of Corrections

Rehabilitation Services; Probation and Parole

Department of Social Services

Find Work Program (TANF funding)  
LaJET (Food Stamp Training and Employment Program)  
Childcare and Development Fund (Expenditures for Find Work participants)  
Louisiana Rehabilitation Services

Higher Education (Board of Regents and Management Boards)

**Submission of "Total Budget Request" and Addenda**

No later than **November 3, 2003**, submit the following:

To Recipient Agency

Number of Copies

Office of Planning and Budget  
1201 North 3<sup>rd</sup> Street  
Claiborne Building, Suite 7-150  
Baton Rouge, LA 70802

Original and two (2) copies (three [3] sets in all) of the "total budget request" and addenda

Legislative Fiscal Office  
18th Floor, State Capitol Building  
900 North 3rd Street  
P.O. Box 44097  
Baton Rouge, LA 70804

One (1) copy of the "total budget request" and addenda

Joint Legislative Committee on the Budget  
11th Floor, State Capitol Building

Three (3) copies of the “total budget request”  
and addenda

Performance Audit Division  
Office of the Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70802

One (1) copy of the “total budget request” and  
addenda

Louisiana Workforce Commission  
Office of Workforce Commission  
224 Florida Boulevard, Suite 301  
Baton Rouge, LA 70802

Agencies subject to the provisions of Act 1  
of 1997 must submit one (1) copy of the  
Louisiana Workforce Commission addendum

Attn: Ms. Susan Sonnier  
Children’s Cabinet  
Office of the Governor  
P. O. Box 94004  
Baton Rouge, LA 70804-9004

Agencies subject to the provisions of the  
Children’s Cabinet must submit one (1) copy  
of the Children’s Budget addendum

Attn: Tom Burkes  
[itbudget@doa.state.la.us](mailto:itbudget@doa.state.la.us)

An electronic copy of all IT  
Details Form(s)

**It is the responsibility of the submitting agency to ensure that all forms are delivered to the appropriate recipient agencies, as stated above.**

If you have any questions pertaining to any of the OPB forms or instructions please contact your budget analyst.

Thank you for your cooperation in filing a complete and timely set of budget documents.

RS/PF/:rmv